

110TH CONGRESS
2D SESSION

S. 3470

To require United States Government representatives to present to the Government of Iraq a plan to establish an oil trust.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 11, 2008

Mrs. CLINTON (for herself and Mr. ENSIGN) introduced the following bill;
which was read twice and referred to the Committee on Foreign Relations

A BILL

To require United States Government representatives to present to the Government of Iraq a plan to establish an oil trust.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Support for Iraq Oil
5 Trust Act of 2008”.

6 **SEC. 2. STATEMENT OF POLICY.**

7 It is the policy of the United States that—

8 (1) the people of Iraq should benefit directly
9 from a share of the revenues generated by the hy-
10 drocarbon resources of their country; and

1 (2) the United States Government should
2 present a plan and provide capacity and economic
3 assistance for the implementation of an Iraq oil
4 trust.

5 **SEC. 3. SENSE OF CONGRESS.**

6 It is the sense of Congress that—

7 (1) the future of Iraq’s oil reserves remains at
8 the heart of political reconciliation in Iraq;

9 (2) ensuring that individual Iraqis benefit di-
10 rectly from hydrocarbon revenues is critical to pro-
11 moting reconciliation and facilitating sustainable sta-
12 bility in Iraq;

13 (3) the development and implementation of an
14 oil trust could provide significant benefits to Iraq
15 and its citizens, including by—

16 (A) helping to demonstrate the values at
17 the heart of democratic governance by giving
18 Iraqi citizens a direct stake in the responsible
19 and transparent management of the hydro-
20 carbon resources of Iraq and the use and dis-
21 tribution of hydrocarbon revenues;

22 (B) helping to diffuse the degree and con-
23 centration of control of the revenues generated
24 from hydrocarbon resources, thereby reducing

1 the opportunity for and magnitude of corrup-
2 tion;

3 (C) facilitating “bottom-up” private sector
4 development, which will be critical to Iraq’s fu-
5 ture prosperity and economic diversity, by put-
6 ting revenues from the oil resources of Iraq di-
7 rectly in the hands of its citizens;

8 (D) helping to alleviate the incentive for
9 smuggling or sabotage by providing individual
10 citizens a direct stake in the amount of Iraqi oil
11 that is legally produced and sold;

12 (E) contributing to sustainable security by
13 providing individuals monetary-resource alter-
14 natives to cooperating with militias, extremists,
15 and other extra-legal entities;

16 (F) providing additional income directly to
17 individual citizens, thereby stimulating entre-
18 preneurship and reducing the reliance on the
19 ability of the central and provincial govern-
20 ments to deliver basic services and execute their
21 budgets; and

22 (G) serving as a model for revenue dis-
23 tribution to other resource-rich countries in the
24 Middle East; and

1 (4) the United States should provide assistance
2 to Iraq for implementation of an oil trust.

3 **SEC. 4. UNITED STATES ASSISTANCE TO IRAQ.**

4 (a) PURPOSE.—The purpose of this section is to stip-
5 ulate limitations on United States assistance to Iraq for
6 reconstruction purposes.

7 (b) LIMITATION.—

8 (1) IN GENERAL.—Unless the Secretary of
9 State submits to the appropriate congressional com-
10 mittees the certification described in subsection (c)
11 within 90 days after the date of the enactment of
12 this Act, 10 percent of United States assistance de-
13 scribed in paragraph (4) that is otherwise available
14 to Iraq through the Economic Support Fund shall
15 be withheld.

16 (2) ADDITIONAL WITHHOLDING OF FUNDS.—
17 An additional 10 percent of United States assistance
18 described in paragraph (4) that is otherwise avail-
19 able to Iraq through the Economic Support Fund
20 shall be withheld for each additional 30 days after
21 funds are withheld under paragraph (1) until the
22 Secretary of State makes the certification described
23 in subsection (c).

24 (3) RELEASE OF WITHHELD FUNDS.—Any
25 funds withheld under paragraphs (1) and (2) shall

1 be made available upon submission by the Secretary
2 of State of the certification described in subsection
3 (c).

4 (4) COVERED ASSISTANCE.—The assistance re-
5 ferred to in paragraphs (1) and (2) are the following
6 funds:

7 (A) Provincial Reconstruction Development
8 Council Funds.

9 (B) Operations and Maintenance
10 Sustainment.

11 (C) Targeted Development Program.

12 (c) CERTIFICATION.—The certification referred to in
13 subsection (b) is a certification submitted by the Secretary
14 of State to the appropriate congressional committees
15 that—

16 (1) certifies that representatives of the United
17 States Government have presented to Government of
18 Iraq representatives an oil trust plan that includes—

19 (A) background on oil trusts, including
20 those currently used by sovereign nations or
21 territories and states within nations; and

22 (B) options for different types of oil trusts
23 that could be implemented in Iraq; and

24 (2) includes a discussion on the steps necessary
25 to implement an oil trust.

1 **SEC. 5. APPROPRIATE CONGRESSIONAL COMMITTEES DE-**
2 **FINED.**

3 In this Act, the term “appropriate congressional com-
4 mittees” means—

5 (a) the Committee on Armed Services, the Committee
6 on Foreign Relations, and the Committee on Appropria-
7 tions of the Senate; and

8 (b) the Committee on Armed Services, the Committee
9 on Foreign Affairs, and the Committee on Appropriations
10 of the House of Representatives.

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